

Semiannual Report to Congress

April 1, 2016 – September 30, 2016



**Office of Inspector General
Pension Benefit Guaranty Corporation**

SARC No. 55

Our Value Framework

Principles

Integrity – Respect – Excellence

Vision

Providing deep knowledge and sensible solutions through independent, positive engagement

Mission

Conduct independent and objective audits and investigations of PBGC programs and operations

Provide leadership to promote efficiency and effectiveness

Prevent and detect fraud and abuse in PBGC programs and operations

Keep the Board and Congress fully and currently informed about problems and deficiencies

Report immediately to the Board whenever the Inspector General becomes aware of any particularly serious or flagrant problems

Report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of federal criminal law

Pillars

People Focused – Process Oriented – Performance Driven

From the Inspector General

October 31, 2016

The Board of Directors
Pension Benefit Guaranty Corporation

I am pleased to present this Semiannual Report summarizing the activities of our office for the period April 1, 2016 through September 30, 2016.

Before discussing our oversight activities, however, I am compelled to note that we share the Board and management's concern regarding the projected insolvency of the multiemployer insurance program, and the more than 1 million plan participants and families whose retirement security is in peril. By 2025, it is more likely than not that program financial assistance payouts to insolvent plans will exceed premium revenue. Once this occurs, the self-funded PBGC will no longer be able to pay the financial assistance necessary to support the full amount of guaranteed benefits to participants whose multiemployer pension plans fail. There is no easy or painless solution; the problem can only be solved by addressing the program's liabilities, assets or both. As the Honorable Thomas E. Perez noted in his June 2016 letter to Congress, "We cannot afford to be complacent. We must address the funding and other challenges of the multiemployer insurance program before it is too late. Nine years is a very short period in which to address a problem of this magnitude, particularly one that involves a poorly funded system with increasing payment obligations that extend for decades." We agree and our office stands ready to assist.

Our office's oversight efforts focused on high-risk areas including internal control, valuation of pension plan benefits and related liabilities, and information security. We observed some improvements in the Corporation's system of internal control. In carrying out our responsibilities, we completed three audit and evaluation reports, one risk advisory, and three special reports. Our investigative activities resulted in a guilty plea from a defendant for theft of pension benefits, and a sentencing in a separate case also involving theft of pension benefits.

In May 2016, we became the first federal OIG to implement an Enterprise Risk Management program, allowing our office to lead by example in the areas of risk management and internal control, permitting risk-based planning, reducing the potential for disruptive events, and protecting the PBGC OIG brand ("independent, positive engagement"). We also monitored PBGC's efforts to hire a Risk Management Officer (a requirement under 2012's MAP-21 legislation) and to implement an ERM program integrated with internal control (a requirement under OMB Circular A-123).

Our audit and investigative work reflected our commitment to keep Congress, the Board, and the Corporation fully and currently informed of PBGC programs and operations in a way that is transparent to both our internal and external stakeholders. I commend and thank our hardworking team of auditors and investigators for their efforts and dedication to our important mission. I also want to thank the Board, Board staff, and PBGC Director Tom Reeder for their ongoing support of our office. We will continue to work with Director Reeder and his team to preserve the promise of a secure retirement for 40 million American workers whose pensions PBGC insures.

Respectfully submitted,

A handwritten signature in black ink that reads "Robert A. Westbrook". The signature is written in a cursive style with a large initial 'R' and a long, sweeping tail.

Robert A. Westbrook
Inspector General

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Contents

Executive Summary	1
Background	2
The Pension Benefit Guaranty Corporation	
The Office of Inspector General	
Management Challenges	4
Information Security	
Modernization of PBGC’s Key Benefits - Related Information Technology Systems	
Transparency and Accountability of Professional Services Contracting	
In Focus	7
Status of Implementation of Statutory Risk Management Officer Function	7
Risk Response to Cybersecurity Threat	8
OIG Work to Address Management Challenges and Strengthen Internal Controls	9
Monitoring and Review of PBGC Operations	9
Performance Audits, Evaluations and Reviews	10
Audit of PBGC’s FY 2015 Compliance with Improper Payments Information Act Requirements	
Audit of the Effectiveness of PBGC’s Governance of Internal Control	
Risk Advisory - Bundled Administrative Expenses in Multiemployer Plan Financial Assistance Requests	
Fiscal Year 2015 Cybersecurity Act Evaluation	
On-Going Performance Audits	12
Audit of Anti-Fraud Controls within the MyPBA Online Service	
Audit of Insolvent Multiemployer Pension Plans’ Administrative Expenses	
Audit of Standard Terminations Compliance Division’s Conformity with ERISA Requirements	
Ongoing Financial Audit and Other Related Work	13
Audit of the Pension Benefit Guaranty Corporation’s Fiscal Year 2016 Financial Statements	
Special Reports and Inspections	14
Special Report - FY 2016 Purchase Card Risk Assessment	
Special Report - Review of Office of Participant and Plan Sponsor Advocate - Safeguards to Prevent and Detect Conflicts of Interest	
Special Report - Alleged Whistleblower Reprisal	

Investigative Activities	16
New York Woman Sentenced For Theft of \$37,000 in Pension Benefits	
New Jersey Man Pleads Guilty to Theft of His Deceased Father’s Retirement Benefits	
Former PBGC Employee Pleads Guilty to Making Threatening Phone Calls	
Investigative Report - Antideficiency Act Violation	
Congressional Request	18
Congressmen Chaffetz’ and Cummings’ Request for Information on OIG Unimplemented Recommendations, Reports and Records Access	
Senators Johnson’s and Grassley’s Biannual Request	
Other OIG Statutory Reporting	22
Access to Information	
Management Decisions	
Review of Proposed Statutory and Regulatory Changes	
Peer Review	
Appendices	
Cross-Reference to Reporting Requirements of the Inspector General Act	24
Summary of Audit and Investigative Activities	25
Previously Reported Significant Recommendations for Which Corrective Action Has Not Been Taken	26
Results of Reports Issued.....	28
Summary of PBGC Open Recommendations as of September 30, 2016.....	29

Statement Regarding Plain Writing

We strive to follow the Plain Writing Act of 2010. The Act requires that government documents be clear, concise, well-organized, and follow other best practices appropriate to the subject or field and intended audience. The abbreviations we use in this report are listed below.

Abbreviations

ADA	Antideficiency Act
ASD	Actuarial Services Division
BAPD	Benefits Administration and Payment Department
CCRD	Corporate Controls and Reviews Department
CEO	Chief Executive Officer
CFR	Code of Federal Regulations
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CIO	Chief Information Officer
CISO	Chief Information Security Officer
CLA	CliftonLarsonAllen, LLP
COO	Chief Operating Officer
DOPT	Date of Plan Termination
EMTB	Employee Mass Transit Benefit
ERISA	Employee Retirement Income Security Act of 1974
ERM	Enterprise Risk Management
FISMA	Federal Information Security Modernization Act
FMFIA	Federal Managers' Financial Integrity Act
FOD	Financial Operations Department
FY	Fiscal Year
GAO	Government Accountability Office
ICC	Internal Control Committee
IPIA	Improper Payments Information Act
IPVFB	Integrated Present Value of Future Benefits
IRS	Internal Revenue Service
ISCM	Information Security Continuous Monitoring
IT	Information Technology
MAP-21	Moving Ahead for Progress in the 21 st Century Act
ME	Multiemployer
NIST	National Institute of Standards and Technology
OBA	Office of Benefits Administration
OIG	Office of Inspector General
OIT	Office of Information Technology
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PBGC	Pension Benefit Guaranty Corporation

PII	Personally Identifiable Information
PIV	Personal Identity Verification
PMP	Participant Management Program
PPS	Premium and Practitioner System
PRAD	Policy, Research, and Analysis Department
RMC	Risk Management Council
RMF	Risk Management Framework
RMO	Risk Management Officer
SARC	Semiannual Report to Congress
SEC	Securities and Exchange Commission
SIEM	Security Information and Event Manager
SLR	Student Loan Repayment
SSA	Social Security Administration
STCD	Standard Terminations Compliance Division
U.S.C.	United States Code
WSD	Workplace Solutions Department

Executive Summary

During the period April 1, 2016 through September 30, 2016, we:

- closed 17 audit recommendations and issued three new audit recommendations. The total number of audit recommendations is 86. (Pages 26 and 30)
- issued the following audit and special reports:
 - **Improper Payments Information Act Requirements Audit.** We audited PBGC’s FY 2015 compliance with the IPIA requirements. We found PBGC was in compliance with the IPIA. (Page 10)
 - **PBGC’s Governance of Internal Control.** We audited the effectiveness of PBGC’s governance of internal controls. We made three recommendations for improvement. (Page 10)
 - **Bundled Administrative Expenses in Multiemployer Plan Financial Assistance.** We issued a Risk Advisory related to PBGC’s acceptance of bundled administrative expenses for a multiemployer plan receiving financial assistance. We found PBGC paid, as part of the bundled administrative service agreement, expenses that were unreasonable, unnecessary and unsupported. (Page 10)
 - **FY 2015 Cybersecurity Act Evaluation.** We conducted the Congressionally-mandated FY 2015 Cybersecurity Act evaluation, wherein we provided descriptions of certain policies, practices and procedures governing PBGC systems that provide access to PII. (Page 11)
 - **Review of Office of Participant and Plan Sponsor Advocate.** We issued a Special Report on a review of the Office of Participant and Plan Sponsor Advocate. Though we found there are controls to detect conflicts of interest and other ethical violations, we suggested a Board resolution to explicitly bind the Advocate to PBGC’s ethics policies and procedures and encourage her to proactively seek ethics guidance when any potential issue arises. (Page 14)
- conducted two pension benefit fraud investigations resulting in a guilty plea, a sentence of 10 months imprisonment, and \$30,000 in restitution. We also secured a criminal conviction against a former PBGC employee for threats against current PBGC employees. Further, we identified a possible \$19,000 Antideficiency Act violation by a PBGC department director, which PBGC’s Director reported to the President, OMB, Congress, and GAO. (Pages 16 - 17)

Background

The Pension Benefit Guaranty Corporation

The Pension Benefit Guaranty Corporation was established under the Employee Retirement Income Security Act of 1974 as a corporation within the U.S. Department of Labor to administer the pension insurance program. ERISA requires that PBGC: (1) encourage the continuation and maintenance of voluntary private pension plans, (2) provide for the timely and uninterrupted payment of pension benefits to participants and beneficiaries, and (3) maintain premiums at the lowest level consistent with carrying out PBGC's obligations.

PBGC is responsible for protecting the pensions of more than 40 million American workers in nearly 24,000 private sector defined benefit plans. The Corporation receives no general tax revenues. It manages about \$88 billion in assets financed by insurance premiums from its single-employer and multiemployer pension insurance programs, investment income, and the assets of terminated plans. In 2015, PBGC paid \$5.6 billion in monthly retirement benefits to nearly 826,000 retirees in some 4,700 single-employer plans. It also paid \$103 million in financial assistance to 57 multiemployer plans.¹

PBGC faces significant, long-standing, and well-known risks. Both pension insurance programs face serious, long-term funding challenges with the premium base declining as fewer employers offer defined benefit plans. In 2003, the Government Accountability Office designated the single-employer pension insurance program as high risk, and GAO added the multiemployer pension insurance program to its high risk list in 2009. At the end of FY 2015, PBGC's net deficit in the combined programs was \$76 billion. Future underfunded plans are projected to total \$238 billion. According to PBGC projections, it is more likely than not that the multiemployer pension insurance program will run out of money by 2025.

PBGC's governance structure is comprised of the Board of Directors, their Board Representatives, the Advisory Committee, a Presidentially-appointed and Senate-confirmed Director, and PBGC Executives. PBGC is also subject to Congressional oversight. Other elements of governance include PBGC's system of internal control, its clearly articulated authority to act, and PBGC's operational policies and procedures. PBGC governance is complex and requires those who are charged with its oversight to view the Corporation from different perspectives. Oversight by the PBGC Board, PBGC management, and the OIG is critical to effective corporate governance.

¹ Figures contained in this paragraph are based on the PBGC's 2015 Annual Report.

The Office of Inspector General

The PBGC Office of Inspector General was created under the 1988 amendments to the Inspector General Act of 1978. We provide independent and objective audits, inspections, evaluations, and investigations to help Congress, the Board of Directors, and PBGC protect the pension benefits of American workers.

We are organizationally independent from the Corporation, with the Inspector General reporting to the Board of Directors. Under Public Law 112-141, the Inspector General must attend at least two Board meetings per year “to provide a report on the activities and findings of the Inspector General, including with respect to monitoring and review of the operations of the corporation.”

The OIG executive leadership team consists of the Inspector General, Chief of Staff, and Chief Counsel. Our audit staff is led by an Assistant Inspector General for Audit, our investigative staff is led by an Assistant Inspector General for Investigations, and we are supported by an Administrative Officer.

Our office operates in compliance with the *Quality Standards for Federal Offices of Inspector General*, issued by the Council of the Inspectors General on Integrity and Efficiency. Our audit work is performed in compliance with *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States. Our evaluation and inspection work is performed in compliance with the *CIGIE Quality Standards for Inspection and Evaluation*; and investigations are conducted in compliance with the *CIGIE Quality Standards for Investigations*.

We strive to provide deep knowledge and offer sensible solutions through independent, positive engagement. We focus our available resources on high-risk areas and continuously seek ways to provide value to our stakeholders.

Management Challenges

Information Security

Information security remains a top management challenge. The PBGC Office of Information Technology is responsible for the information security program, and the Chief Information Officer and Chief Information Security Officer lead these efforts. In prior years, we observed that this program lacked focus. Beginning in 2015, new leadership began providing the direction and guidance needed to implement a coherent framework of security controls to protect PBGC's information from unauthorized access, modification and disclosure.

Our FY 2015 financial statement audit documented the improvements the CIO and CISO have made. Two previously identified material weaknesses relating to information security were downgraded to significant deficiencies. One deficiency related to entity-wide security program planning, while the second involved access controls and configuration management.

As we previously noted in two semi-annual reports, PBGC documented an increase in reported security incidents. The number of incidents increased from zero in 2013 to more than 50 in FY 2016. Of the 50 incidents PBGC reported to the United States Computer Emergency Readiness Team, 42 percent related to malware or Trojan software and another 54 percent related to the theft or loss of phones and other IT equipment. These incidents were detected through the use of more advanced technology, stronger processes, additional staff with specialized IT security experience, and a greater commitment to transparency and accountability.

Our FY 2015 Federal Information Security Modernization Act audit found that PBGC had not fully implemented its automated log management, data collection, and storage and visualization tool, all of which would improve its monitoring of IT security and security events. Further, PBGC had not implemented network scans running at elevated privileges for all systems. These scans allow access to and assessment of protected resources. Our FISMA report recommended PBGC make improvements in these two areas, among others. We observed that PBGC made progress in implementing its automated log management tool and privileged network scans. However, more work is required to satisfy these recommendations. For example, ensuring that the automated log tool is implemented across all PBGC systems will improve its monitoring of IT security and security events, and PBGC still needs to ensure that the credentials used for privileged network scans are managed effectively.

The Corporation is now in compliance with Homeland Security Presidential Directive 12 provisions for use of PIV cards. OMB guidance established a goal that by December 31, 2015, 100 percent of privileged and 85 percent of non-privileged users who are required to obtain a PIV card should use the card to access federal IT systems.² PIV cards allow for the efficient

² OMB Memorandum M-16-04, *Cybersecurity Strategy and Implementation Plan for the Federal Civilian Government*, dated October 30, 2015.

authentication of an employee's identity and reduce the risk of identity fraud, tampering, counterfeiting, and exploitation. Management reported that 100 percent of its privileged and 98 percent of its non-privileged users are accessing systems with their PIV cards.

Continued focus and efforts are needed to ensure further improvements in PBGC's IT security posture so that it can remain agile in the rapidly changing threat environment. The Corporation also needs to swiftly adopt the latest federal security standards, including NIST Special Publication 800-53, Revision 4, *Security and Privacy Controls for Federal Information Systems and Organizations* and the updated requirements in the July 2016 OMB Circular A-130, *Managing Federal Information as a Strategic Resource*.

Modernization of PBGC's Key Benefits - Related Information Technology Systems

PBGC relies upon obsolete technology and legacy information systems to perform its essential service of ensuring retirees receive their correct pension amount. In the FY 2015 financial statement audit, we identified the Office of Benefits Administration's controls over the present value of future benefit liability as a material weakness.

The Participant Management Program is the consolidation of the Integrated Present Value of Future Benefits, Benefits Administration, Benefit Calculation and Valuation, and other related IT systems. Reporting and budgeting for these systems were consolidated to bring the systems under one umbrella, as they depend on each other to calculate and pay benefits to participants. IPVFB systems calculate the present value of the future liabilities for pension payments to retirees that is reported in PBGC's financial statements.

PBGC continues to modernize its PMP IT systems,³ some of which are the subjects of a number of open audit recommendations. For example, the PMP IT systems include modernizing the IPVFB systems, which is to be accomplished in 5 phases — Phases 1 through 3 and Phases 4a and 4b. PBGC management is projecting completion of IPVFB modernization and closure of all related audit recommendations by December 31, 2018. PBGC management reports that IPVFB Modernization Phase 3 is winding down and should be finished in early December 2016. According to PBGC's Earned Value Management weekly report, as of September 28, 2016, Phase 3 exhausted roughly 80 percent of its \$4.5 million planned costs and is nearly 77 percent complete. This represents a 4.5 percent deviation from its expected costs. PBGC management reports that because the actual and expected costs show little deviation, they do not see any problems and will be "able to successfully complete Phase 3 as currently scheduled." Phase 4a has just started and is scheduled to be completed in December 2017.

³ PBGC reports that the Participant Management Program, as reported on OMB's *itdashboard.gov*, is the consolidation of Benefits Administration, Benefit Calculation & Valuation and Integrated Present Value of Future Benefits systems. Further, each of these systems includes more than one individual IT tool or system.

Transparency of the cost of individual projects that make-up PMP is a concern. Based on the information PBGC published on OMB's *itdashboard.gov*, FY 2015 project costs for the consolidated PMP were approximately \$28 million. This included spending on contractors and utilization of PBGC's full-time employees. The estimated budget for FY 2016 was \$34.9 million and for FY 2017 is \$28.6 million. Despite the critical nature of the PMP modernization project and the millions of dollars invested, there is not enough detailed information about each systems' project costs in the public domain to provide for meaningful public accountability.

We continue to identify this modernization effort as a top management challenge and will provide oversight in light of the critical nature of the systems, PBGC's history of challenges in integrating its financial management systems, and its reliance on professional services contract support.

Transparency and Accountability of Professional Services Contracting

Our office has raised concerns for many years about PBGC management's oversight of professional services contracts. In 2011, we found that a PBGC contractor failed to exercise due professional care in conducting a plan asset audit for the National Steel pension plan. PBGC oversight failed to identify the sub-standard audit work. In 2012, we reported that PBGC failed to protect the interests of United Airlines workers and retirees when it accepted a series of poor quality and mistake-ridden contracted audits. In response to a 2014 Congressional request, we reported that processing the final benefit determinations for plan participants in the Delphi Retirement Program for Salaried Employees was delayed, in part, after PBGC initially contracted with a public accounting firm, then terminated the contract over quality problems.

PBGC is highly-dependent on contractors to conduct its work, which includes providing IT support, developing and assessing internal control, and calculating and paying pension benefits. For example, OBA's five field offices oversee benefit administration activities for terminated defined benefit plans. Those field offices are staffed with about 270 contractor employees. The department also has roughly 100 contract actuaries who provide actuarial valuation of benefits, and about 100 contract auditors who support plan asset evaluations. Despite the critical services professional contractors provide to PBGC, there is little information about these contracts in PBGC public documents or on its website to allow for meaningful public accountability.

We identified transparency and accountability of professional services contracting as a top management challenge because of PBGC's history regarding contractor oversight and its heavy reliance on contract professional staff. As we reported in SARC 54 (on page 14), we issued a Risk Advisory regarding our observations on management's oversight of two multiemployer expert consultant contracts. We reviewed these contracts in October 2015, after we received information about management's monitoring and oversight.

In Focus

Status of Implementation of Statutory Risk Management Officer Function

It has been over four years since Congress required PBGC to appoint a risk management officer to coordinate the risk management efforts of the Corporation and explain risks and controls to management and the Board of Directors. In September 2015, our office issued a White Paper urging PBGC to move more swiftly to fulfill this statutory requirement, and the Inspector General discussed this issue repeatedly at Board of Directors meetings. As of September 30, 2016, the position remains vacant. The need for a risk management officer at PBGC has only increased with the continued insolvency risk facing the multiemployer plans and the July 2016 issuance of OMB Circular A-123, which mandated all agencies have an enterprise risk management capability. PBGC has lost critical time and it is now competing with many other agencies for the limited pool of experienced enterprise risk management professionals.

We acknowledge that PBGC has taken some action toward implementation. Specifically, PBGC designated the Director of the Policy, Research and Analysis Department to also serve as acting risk management officer until the position is permanently filled. PBGC posted a GS-15 vacancy announcement for the position in May 2016. PBGC created a Risk Management Council to advise the Director and

OMB Updates Circular A-123, Integrating Enterprise Risk Management with Internal Control

On July 15, 2016, OMB issued an update to Circular No. A-123, requiring agencies to implement an ERM capability in coordination with the strategic planning and strategic review processes established by the Government Performance and Results Act Modernization Act of 2010, and the internal control processes required by FMFIA and the GAO's Green Book.

ERM provides an enterprise-wide, strategically-aligned portfolio view of organizational challenges; and it provides insight on effectively prioritizing resource allocations to ensure successful mission delivery. As a part of ERM governance for the Risk Management function, Circular A-123 suggests that agencies may form a Risk Management Council that oversees the establishment of the Agency's risk profile, regular assessment of risk, and development of appropriate risk response. A-123 states the RMC should be chaired by the agency Chief Operating Officer or senior official with responsibility for the enterprise. It also mentions that to support ERM work, some agencies are using a "Chief Risk Officer," or equivalent function (RMO) who champions agency-wide efforts to manage risk within the Agency and advises senior leaders on the strategically-aligned portfolio view of risks at the agency. An RMO may serve as a strategic advisor to the COO and other staff on the integration of enterprise risk management practices into the day-to-day business operations and decision-making.

Agency ERM programs should be transparent and integrated horizontally across all organizational processes and vertically from internal control activities to the agencies' budget and strategic reviews.

Agencies must develop an ERM implementation plan as soon as practicable and must develop an initial risk profile by June 2, 2017. Agencies must update their risk profiles annually in June of each year.

Executive Management Committee and to work with the Internal Control Committee to allocate responsibility for monitoring and reporting on the Corporation's risk profile. To date, the Council has adopted a charter and an initial risk management framework, sponsored agency-wide training events to strengthen the PBGC risk culture, and is developing a risk management policy and risk management plan. Some of these actions are urgently needed in order for PBGC to meet the requirements in OMB Circular A-123 to have an enterprise risk management implementation plan as soon as practicable after July 2016, and complete an initial risk profile by June 2017.

In June 2016, we issued an audit report on the Effectiveness of PBGC's Governance of Internal Control. We reported, in part, that PBGC's ICC is not providing effective internal control oversight, is not providing oversight of the annual FMFIA certification process, but is providing limited oversight of the Corporation's annual risk assessment process. Since this report was issued, we have observed, as a non-voting member of the ICC, that its members evaluate, comment on, and approve changes to or additions to internal controls presented. Further, the ICC recently demonstrated increased risk awareness when it met to discuss cross-organizational risks and controls that will be identified and presented to the Director as part of the upcoming FMFIA process.

Although PBGC's actions are commendable, it must be noted that had PBGC acted more swiftly to appoint a risk management officer after the enactment of the 2012 statutory requirement, many of these actions would have already been completed, the actions would have been led by an experienced enterprise risk management professional, and PBGC's enterprise risk management program would be maturing beyond the initial stage. Critical time has been lost.

Risk Response to Cybersecurity Threat

A risk that has the attention of public corporation boards across the U.S. is cybersecurity and the emerging threat of ransomware (i.e., when a bad actor employs malicious software to block access to corporate data until a sum of money, typically in bitcoins, is paid). The FBI has reported that ransomware is on the rise. PBGC has identified cybersecurity (including the ability to prevent and respond to emerging cyber risks) as a top risk; OIG lists it as a top management challenge; and independent public accountants at CliftonLarsonAllen, LLP consider it a significant deficiency in internal control.

We observed and reported to the Board that PBGC has taken proactive steps to help prepare for this threat. In June 2016, based on their analysis and an OIG suggestion, PBGC's Enterprise Cybersecurity Division conducted a ransomware tabletop exercise as part of PBGC's cybersecurity capabilities assessment program. This exercise evaluated the knowledge of key players, alignment of plans and processes, cross-integration of work groups and identification of technology gaps. This exercise resulted in several recommendations for improvement and the Corporation is developing a ransomware response "playbook." We have not independently audited the tabletop exercise or draft playbook; therefore, we offer no opinion on their adequacy or level of improvement to PBGC's cybersecurity posture. We nevertheless commend the Corporation for its proactive steps to address this emerging threat.

OIG Work to Address Management Challenges and Strengthen Internal Controls

Monitoring and Review of PBGC Operations

In addition to our responsibilities under the Inspector General Act, the Moving Ahead for Progress in the 21st Century Act (commonly known as MAP-21) requires that we provide “monitoring and review of the operations of the Corporation” and report our activities and findings at no less than two Board meetings a year. In practice, we attend quarterly Board meetings, and report our observations in both open and executive sessions. In addition, we communicate with the Board Representatives during monthly conference calls and at other times as needed. Much of our monitoring and review activities have been focused on long-standing concerns over the number of open audit recommendations and insufficient management attention to internal control.

During this reporting period, we reiterated to PBGC leadership the importance of permanently filling the risk management officer position and implementing an ERM program. Such a program should result in a lasting reduction in open audit recommendations, improvements in the internal control environment, and fulfill the requirements Congress established under MAP-21.

In addition, OIG leadership met regularly (typically monthly) with “C” suite leaders to monitor and review operations and obtain status updates on corrective actions to address open audit recommendations.

Performance Audits, Evaluations and Reviews

Audit of PBGC's FY 2015 Compliance with Improper Payments Information Act Requirements

(AUD-2016-09/PA-16-109, issued May 13, 2016)

<http://oig.pbgc.gov/pdfs/PA-16-109.pdf>

We audited PBGC's compliance with the requirements of the IPIA, as amended. We found PBGC was in compliance with all mandated IPIA requirements and concurred with PBGC's assessment that payments from two payment streams, Benefit Payments and Premium Refunds, were not susceptible to significant improper payments. In addition, during the course of our audit, we identified an opportunity for PBGC to improve its payment recapture audit program, and we communicated this information to management.

Audit of the Effectiveness of PBGC's Governance of Internal Control

(AUD-2016-8/PA-15-107, issued June 9, 2016)

<http://oig.pbgc.gov/pdfs/PA-15-107.pdf>

We audited the effectiveness of PBGC's governance of internal control, with an emphasis on the entity-wide risk assessment and resulting impact on PBGC's internal control testing according to applicable laws, regulations and guidance. Our work found information and communication within PBGC's internal control framework could be improved if the Internal Control Committee's responsibilities were clarified and fulfilled. We further found that opportunities exist to improve PBGC's process for conducting risk assessments and using the results. Finally, opportunities exist to improve PBGC's processes regarding the preparation of the annual assurance statements over internal control. PBGC agreed to take actions on our three recommendations by November 2017.

Risk Advisory - Bundled Administrative Expenses in Multiemployer Plan Financial Assistance Requests

(Project No. PA-13-94C, issued July 11, 2016)

<http://oig.pbgc.gov/pdfs/MAR-7-11-2016.pdf>

We reported on our assessment of the reasonableness of administrative expenses incurred and charged to a plan that received financial assistance under PBGC's ME pension insurance program. We found the third-party administrator of the plan could not adequately support costs associated with a bundled expense agreement for fiduciary and administrative services. As a result, PBGC paid expenses as part of the bundled administrative service agreement that were unreasonable, unnecessary and unsupported. We suggested PBGC further examine this agreement and similar bundled agreements to ensure proper payment of administrative expenses, reduce the risk of waste, fraud, and abuse of financial assistance and enhance program performance.

Fiscal Year 2015 Cybersecurity Act Evaluation

(EVAL-2016-10/IT-16-111, issued August 11, 2016)

<http://oig.pbgc.gov/pdfs/IT-16-111.pdf>

As part of the Consolidated Appropriations Act, 2016 (Public Law 114-113), Congress passed the Cybersecurity Act of 2015 which required Offices of Inspector General to conduct an evaluation and submit a report on computer systems that provide access to personally identifiable information to the appropriate committees of jurisdiction in the Senate and the House of Representatives by August 14, 2016. We evaluated aspects of PBGC “covered” computer systems. Our objective was to provide descriptions of certain policies, practices and procedures identified in the statute. The scope of our work was limited to obtaining and analyzing PBGC’s information security policies, practices and procedures governing covered computer systems. We did not test the Corporation’s internal controls or compliance with the policies and procedures provided in this report. Information on whether the Corporation followed the appropriate standards was based on OIG open recommendations and the Corporation’s Plan of Actions and Milestones. We did not make any recommendations.

On-Going Performance Audits

Audit of Anti-Fraud Controls within the MyPBA Online Service

(Project No. PA-16-115, announced July 14, 2016)

<http://oig.pbgc.gov/pdfs/ANN-PA-16-115.pdf>

We announced that our office initiated an audit of anti-fraud controls within the MyPBA Online Service. Our objective is to assess the effectiveness of internal controls to prevent and detect unauthorized MyPBA transactions.

Audit of Insolvent Multiemployer Pension Plans' Administrative Expenses

(Project No. PA-16-113, announced March 29, 2016)

<http://oig.pbgc.gov/pdfs/ANNAUDITMEAdminExp20160329.pdf>

We announced an audit to determine if the Multiemployer Program Division ensures administrative expenses paid to insolvent multiemployer plans receiving financial assistance are reasonable, necessary and adequately supported. This is part of our series of on-going reviews of the multiemployer program.

Audit of Standard Terminations Compliance Division's Conformity with ERISA Requirements

(Project No. PA-16-112, announced March 31, 2016)

<http://oig.pbgc.gov/pdfs/ANNSURVEYStdTerm20160331.pdf>

We are auditing the Standard Terminations Compliance Division within the Office of Negotiations and Restructuring to determine whether STCD ensures participants receive the full protection of the law (ERISA Title IV) when their pension plan enters into the standard termination process.

On-Going Financial Audit and Other Related Work

Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2016 Financial Statements

(Project No. FA-16-110, issued March 17, 2016)

<http://oig.pbqc.gov/pdfs/ANNAUDITPA-16-110-20160317.pdf>

During the last reporting period, we announced initiation of the annual PBGC financial statements audit. The OIG is charged with that responsibility under the Chief Financial Officers Act, as codified in 31 U.S.C. § 9105(a)(1), and the Inspector General Act of 1978, as amended, 5 U.S.C. App. 3 § 4. As permitted by 31 U.S.C. § 9105(a)(1), OIG contracted with an independent public accounting firm, CliftonLarsonAllen, LLP, to conduct, subject to OIG oversight, the financial statements audit.

The purpose of this audit is to express an opinion as to whether the PBGC financial statements are prepared in accordance with prescribed accounting principles. The audit scope includes:

- General-purpose financial statements of the Single-Employer program and Multiemployer program, including the related notes and supplemental schedules;
- Financial Statement Closing Package for the government-wide consolidated financial statements, including related notes;
- Report on Internal Controls Related to the PBGC's Financial Statements Audit;
- Report on Compliance with FISMA; and
- IT Vulnerability and Penetration Testing Report.

Special Reports and Inspections

Special Report - FY 2016 Purchase Card Risk Assessment

(Issued August 12, 2016)

<http://oig.pbgc.gov/pdfs/SR-8-12-16.pdf>

The Government Charge Card Abuse Prevention Act of 2012 (Public Law 112-194) requires Offices of Inspector General to conduct periodic assessments of the government purchase card program to identify and analyze risks of illegal, improper or erroneous purchases and payments. According to OMB Memorandum M-13-21, this risk assessment should be performed annually. We found PBGC has policies and procedures in place to address the requirements in the Act, and has internal controls to assist in the monitoring of this program. Based on our review, we determined that the risk of illegal, improper or erroneous purchases is low. Although we concluded PBGC has adequate policies and procedures in place, we identified certain areas where PBGC could strengthen its controls over the purchase card program. We concluded that an OIG audit of this program is not warranted at this time, but we will conduct an inspection in FY 2017 to provide management with a more timely and flexible analysis of purchase card transactions.

Special Report - Review of Office of Participant and Plan Sponsor Advocate - Safeguards to Prevent and Detect Conflicts of Interest

(Issued July 20, 2016)

<http://oig.pbgc.gov/pdfs/SR-7-20-16.pdf>

We conducted this review based on a confidential hotline contact regarding the implementation of the role of the Participant and Plan Sponsor Advocate and the potential for conflicts of interest or other ethical violations. We determined common safeguards are in place to detect conflicts of interest or other ethical conduct violations by the Advocate. Notwithstanding these safeguards, we suggested the Board consider a resolution establishing a policy explicitly binding the Advocate to PBGC ethics policies and procedures and encouraging the Advocate to proactively identify potential conflicts of interest and otherwise consult with PBGC ethics officials. We also reported on the ambiguity in the statute creating the position regarding “advocating” on behalf of plan sponsors, and noted the practices of comparable offices at the IRS, SEC and the Federal Reserve in maintaining impartiality.

Special Report - Alleged Whistleblower Reprisal

(Issued August 10, 2016)

<http://oig.pbgc.gov/summaries/SR-8-16.html>

We received a complaint from a former pension benefits supervisor of a PBGC contractor who claimed she was terminated in October 2014 in retaliation for making protected disclosures of certain information, in violation of 41 U.S.C. § 4712 (Pilot Program for Enhancement of Contractor Protection from Reprisal for Disclosure of Certain Information). The contractor operates one of PBGC’s Field Benefits Administration offices, which provide participant and

benefit processing services and assistance. We concluded our investigation with the issuance of a final report to the Director on August 10, 2016.

We found that the complainant made six separate disclosures. We concluded that four of her disclosures were not “protected” as defined by the Whistleblower Protection Act, but two disclosures about the contractor’s alleged failure to pay her overtime could reasonably be considered protected. However, we were unable to show that the chief executive officer of the contractor, who terminated her, knew of these disclosures. Even if the evidence were to show that the complainant’s disclosures were a contributing factor in her termination, we found there are reasonable grounds to conclude that the CEO would have terminated her on other grounds absent her disclosures. In sum, we concluded there is insufficient evidence to substantiate the complainant’s allegation that the contractor subjected her to a reprisal for whistleblowing.

Investigative Activities

We presented five investigations for prosecution during the reporting period: one was declined, two were accepted, and we are awaiting a decision from the United States Attorney's Office on the other two cases. As described below, we investigated pension benefit fraud schemes that resulted in a guilty plea and another that resulted in a prison sentence of 10 months and \$30,000 in restitution. We also participated in a case that resulted in a guilty plea from a defendant who threatened PBGC employees.

New York Woman Sentenced For Theft of \$37,000 in Pension Benefits

On August 1, 2016, a Nedrow, New York woman was sentenced in federal court in Syracuse to serve 10 months in prison for fraudulently obtaining \$37,000 in pension benefits in her deceased mother's name. The court also ordered her to pay \$30,074.80 in restitution to PBGC.

New Jersey Man Pleads Guilty to Theft of His Deceased Father's Retirement Benefits

On September 27, 2016, an Essex County, New Jersey man pleaded guilty to theft charges in U.S. District Court in Newark, New Jersey. The defendant entered a plea agreement admitting to theft of \$8,032.50 from PBGC and over \$131,000 from the Social Security Administration when he continued to collect SSA and PBGC pension benefits after his father's April 2006 death. The father's death went unreported until 2013. PBGC stopped making pension payments in January 2010 after non-receipt of a Payee Information Form. As part of the plea agreement, the man agreed to make full restitution to PBGC.

Former PBGC Employee Pleads Guilty to Making Threatening Phone Calls

On July 22, 2016, a former PBGC employee entered a guilty plea in District of Columbia Superior Court to charges of attempted threats to do bodily harm. The former employee was given a deferred sentence. This case began after the former employee allegedly made threatening phone calls to several current PBGC employees. We provided evidence and coordinated with the FBI, which served as the lead agency.

Investigative Report - Antideficiency Act Violation

On April 7, 2016, we reported a possible \$19,000 ADA violation committed by a senior level PBGC department director who obtained the services of an independent subcontractor under an existing PBGC contract. Funding for the independent subcontractor's work was exhausted by May 4, 2015. The prime contractor formally processed the individual's termination from its contract and advised him to cease working after May 4. Nonetheless, at the department director's behest, the independent subcontractor continued performing work for PBGC after his contract funding expired, until June 1, when he became a PBGC employee. According to the required ADA letters that the PBGC Director sent on August 23, 2016 (to the President, OMB, Congress, and GAO), PBGC has concluded that the responsible party had no knowing and willful intent to violate the ADA. On September 21 and 22, 2016, PBGC held a two-day ADA training course for managers and others involved in the acquisition process to reduce the risk of future violations.

Congressional Request

Congressmen Chaffetz' and Cummings' Request for Information on OIG Unimplemented Recommendations, Reports and Records Access

On April 22, 2016, we responded to an April 6th request from Chairman Jason Chaffetz, and Ranking Member Elijah Cummings from the Committee on Oversight and Government Reform seeking information on our office's open and unimplemented recommendations, non-public OIG reports, and our access to PBGC records. A copy of our letter can be found here: <http://oig.pbgc.gov/pdfs/LTR-4-22-16-HOGR.pdf>.

Senators Johnson's and Grassley's Biannual Request

Since 2010, Senator Ron Johnson, Chairman of the U.S. Senate Committee on Homeland Security, and Senator Charles E. Grassley, Chairman of the U.S. Senate Judiciary Committee, have asked Inspectors General to provide a biannual report of "all closed investigations, evaluations, and audits conducted by IG offices that were not disclosed to the public." In a February 27, 2015 letter, the Chairmen requested enhanced reporting to the committees and reiterated their continuing efforts to support the Inspector General community in protecting taxpayers against waste, fraud and abuse.

We responded to Chairmen Johnson and Grassley on May 2, 2016, providing our information on all closed investigations, evaluations, and audits conducted by our office that were not disclosed to the public covering the period October 1, 2015 through March 31, 2016. A copy of our letter can be found here: <http://oig.pbgc.gov/pdfs/LTR-5-2-16.pdf>.

For the period April 1, 2016 through September 30, 2016, our response to Chairmen Johnson and Grassley is as follows — our numbering tracks the numbering in their 2015 request:

- 1) An accounting of all outstanding unimplemented recommendations as well as the aggregate potential cost savings of these open recommendations including:**
 - i) The current number of open and unimplemented recommendations;**
 - ii) The dates on which the open and implemented recommendations were initially made;**
 - iii) Whether agency management has agreed or disagreed with the recommendations; and**
 - iv) The total potential cost savings to the agency of the current open and unimplemented recommendations.**

Beginning on page 29 is a table listing 86 open OIG recommendations as of September 30, 2016 and the additional information requested. The agency agreed with all recommendations and we have no open recommendations associated with a specific cost savings (i.e., questioned costs or funds to be put to better use).

- v) **A narrative description of all audits, evaluations, and investigations provided to the agency for comment but not responded to within 60 days.**

We have no audits, evaluations or investigations where the agency did not respond within 60 days.

- vi) **A report on each investigation involving GS-15 level or above employees or other Federal pay scale equivalent employees, at a Federal agency or department where misconduct was found, but no prosecution resulted, including:**
- vii) **A detailed description of the facts and circumstances of the investigation; and**
- viii) **A detailed description of the status and disposition of the matter, including whether there was a referral to the Department of Justice, the date of any such referral, whether there was a declination from the Department, the date of any such declination, and an explanation of the reasons for any such declination.**

Please see page 17 of this report for a description of an investigation involving a GS-15 level or above employee. This case was not referred to the Department of Justice.

- ix) **Detailed descriptions of any instances of whistleblower retaliation, including information about the official found to have engaged in retaliation and what, if any consequences, the agency imposed to hold that official accountable. However, please seek whistleblower consent before revealing any whistleblower's personally identifiable information to Congress.**

We have no responsive records.

- x) **Detailed descriptions of any attempts to interfere with IG independence, including:**
 - (1) **Restricting communications between the IG office and Congress;**
 - and**
 - (2) **Budgetary constraints designed to limit the capabilities of the IG office.**

We have no instances of attempts to interfere with IG independence by restricting communication with Congress or imposition of budgetary constraints.

- xi) **A detailed description of any incident where the Federal agency or department, as applicable, has resisted or objected to oversight**

activities of the IG office or restricted or significantly delayed access to information, including the justification of the Federal agency or department for such action.

We have no instances of attempts to restrict the oversight activities of our office or restrict or significantly delay access to information.

xii)A detailed description of any investigation, evaluation, audit or report that is closed and was not disclosed to the public.

Audit/Evaluation Reports. With limited exceptions, we post all audit and evaluation reports on our website within three days of issuing the final report to PBGC. We generally do not provide or post on our website the full text of reports that would disclose specific vulnerabilities that could be exploited; typically, such reports are IT-related.

We use restricted disclosure and other non-public audit/evaluation reports to disclose that we have conducted work on sensitive subject matters. However, in lieu of posting full text reports, we post a high-level summary or redacted version, and summarize sensitive matters in our Semiannual Reports to Congress.

Below is a table containing the information requested on the one evaluation report that we did not fully disclose to the public. Information about this report can also be found on page 11 of this SARC.

Report Number	Report Title	Issue Date	Summary
EVAL-2016-10/ IT-16-111	Fiscal Year 2015 Cybersecurity Act Evaluation	8/11/2016 Restricted Disclosure	This evaluation analyzed PBGC’s information security policies, practices, and procedures governing computer systems that provide access to personally identifiable information.

Investigative Reports. We do not post detailed descriptions of investigations or any investigative reports on our website due to privacy concerns. To provide necessary information for a prosecutor (criminal) or the agency (administrative) to consider appropriate action, the reports contain significant personally-identifiable and other sensitive information. Posting these reports would require significant redactions. However, we do summarize each significant investigation in our Semiannual Reports to Congress, each of which is posted on our website. The table below contains the data requested concerning closed investigations we did not disclose publically.

Investigations Number	Disposition	Allegation Summary	Date Closed
15-0010-I	Closed - Final	Whistleblower - Retaliation by Management	9/29/16
16-0002-I	Closed - Final	Poor or Improper Management Practices	9/29/16
15-0014-I	Closed - Final	Financial Fraud – Other	9/7/16
15-0029-I	Closed - Final	Theft/Embezzlement - PBGC Funds or Property	6/24/16
15-0041-I	Closed - Final	Financial Fraud - Other	6/14/16

Investigations Number	Disposition	Allegation Summary	Date Closed
16-0011-I	Closed - Final	Mail Fraud	4/11/16
16-0012-I	Closed - Final	Financial Fraud - Other	5/6/16
16-0013-I	Closed - Final	Time and Attendance Fraud	5/12/16
16-0014-I	Closed - Final	Theft/Embezzlement - PBGC Funds or Property	4/7/16
16-0015-I	Closed - Final	Wire Fraud	9/7/16
14-0001-I	Closed - Final	Financial Fraud - Other	9/14/16
15-0001-I	Closed - Final	Financial Fraud - Other	9/1/16
15-0003-I	Closed - Final	Other	9/28/16
16-0009-I	Closed - Final	Other Miscellaneous Criminal Violation	4/8/16
16-0020-I	Closed - Final	Identity Theft	6/30/16
16-0003-I	Closed Final - Management Response/Action Complete	Miscellaneous Non-Criminal Misconduct	5/20/16
16-0006-I	Closed Final - Management Response/Action Complete	Other Miscellaneous Criminal Violation	9/23/16
16-0023-I	Closed - Final	Miscellaneous Non-Criminal Misconduct	9/27/16
15-0027-I	Closed - Final	Theft/Embezzlement - PBGC Funds or Property	4/7/16
15-0033-I	Closed - Final	Theft/Embezzlement - PBGC Funds or Property	4/7/16
15-0034-I	Closed - Final	Theft/Embezzlement - PBGC Funds or Property	4/7/16
15-0038-I	Closed - Final	Theft/Embezzlement - PBGC Funds or Property	4/7/16
15-0039-I	Closed - Final	Theft/Embezzlement - PBGC Funds or Property	4/7/16
15-0040-I	Closed - Final	Theft/Embezzlement - PBGC Funds or Property	4/7/16
16-0001-I	Closed - Final	Theft/Embezzlement - PBGC Funds or Property	4/7/16

Other OIG Statutory Reporting

Access to Information

Section 6(a) of the Inspector General Act grants the Inspector General access to all agency records, information, or assistance when engaged in an investigation or audit. Whenever access to requested records, information or assistance is unreasonably refused or not provided, the Inspector General must promptly report the denial to the agency head. In addition to the IG Act's requirement, Senator Grassley asked each Inspector General to report semiannually whether access to requested information has been denied or impeded.

We have not been denied access nor has assistance been unreasonably refused during this reporting period.

Management Decisions

There were no management decisions of a material nature with which we did not agree.

Review of Proposed Statutory and Regulatory Changes

Under the IG Act, the OIG is responsible for reviewing PBGC proposed changes to laws and regulations. During this reporting period we did not review or provide comment on any proposed changes to laws or regulatory actions.

Peer Review

Audit: Generally Accepted Government Auditing Standards require each audit organization to obtain an external review of its system of quality control every three years and make the results publicly available.

On June 29, 2016, the National Science Foundation Office of Inspector General issued a report of its External Peer Review of our audit organization and opined that our system of quality control for the year ending September 30, 2015 has been "suitably designed and complied with to provide our office with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects." Audit organizations can receive a rating of pass, pass with deficiencies, or fail. We received an External Peer Review rating of pass. A copy of this peer review is on our website at <http://oig.pbgc.gov/pdfs/PeerReview2016.pdf>.

Our audit organization has started an External Peer Review of the Federal Housing Finance Agency Office of Inspector General. We anticipate issuing the report in January 2017.

Investigations: The Office of Investigations conducted a peer review of the Government Publishing Office OIG's investigative operations in February 2016. We issued our report on May 31, 2016.

APPENDICES

Cross-Reference to Reporting Requirements of the Inspector General Act

Inspector General Act Reference	Reporting Requirements	Page(s)
Section 4(a)(2)	Review of legislation and regulations.	22
Section 5(a)(1)	Significant problems, abuses, and deficiencies.	4-17
Section 5(a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies.	4-17
Section 5(a)(3)	Prior significant recommendations on which corrective action has not been completed.	26
Section 5(a)(4)	Matters referred to prosecutorial authorities.	16, 25
Section 5(a)(5)	Summary of instances in which information was refused.	None
Section 5(a)(6)	List of audit reports by subject matter, showing dollar value of questioned costs and recommendations that funds be put to better use.	28
Section 5(a)(7)	Summary of each particularly significant report.	10-17
Section 5(a)(8)	Statistical table showing number of reports and dollar value of questioned costs.	28
Section 5(a)(9)	Statistical table showing number of reports and dollar value of recommendations that funds be put to better use.	28
Section 5(a)(10)	Summary of each audit report issued before this reporting period for which no management decision was made by end of the reporting period.	None
Section 5(a)(11)	Significant revised management decisions.	22
Section 5(a)(12)	Significant management decisions with which the Inspector General disagrees.	22
Section 5(a)(14)	Results of peer review.	22-23
Section 5(a)(15)	Outstanding recommendations from any peer review conducted by another OIG.	22-23
Section 5(a)(16)	Any peer reviews performed of another OIG.	22-23

SUMMARY OF AUDIT AND INVESTIGATIVE ACTIVITIES

For the Six-Month Period Ending September 30, 2016

Audits/Inspections/Evaluations Issued		
Number of Reports	3	
Number of Recommendations	3	
Special Reports Issued		
Number of Reports	4	
Number of Recommendations	0	
Management Decisions		
Open Recommendations Beginning of Period	100	
Opened This Period	3	
Closed This Period	17	
Open Recommendations End of Period	86	
Reports with Open Recommendations End of Period	23	
Investigative Workload	Investigations	
Opened	124	
Closed	135	
Judicial Referrals	Federal Prosecutors	Local Prosecutors
Presented	4	1
Accepted	1	1
Declined	1	0
Criminal Actions		
Sentencings	1	
Convictions	2	
Financial Recoveries		
Court Ordered Fines, Penalties, and Restitution and Administrative Recoveries	\$30,230.20	
Administrative Actions		
Action Referrals	1	

PREVIOUSLY REPORTED SIGNIFICANT RECOMMENDATIONS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN TAKEN⁴

For the Six-Month Period Ending September 30, 2016

Report Number, Report Title and Date Issued	Number of Significant Recommendations ⁵	Significant Problems and Deficiencies	Summary of Significant Recommendations
2012-02/FA-11-82-2 Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2011 and 2010 Financial Statements Audit 11/14/2011 and	3	Controls over the Present Value of Future Benefit Liability	The calculation and documentation of the Present Value of Future Benefits and the valuation of plan assets.
2013-02/FA-012-88-2 Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's FY 2012 and 2011 Financial Statements Audit 11/15/2012 and	1		
2014-03/FA-13-93-2 Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's FY 2013 and 2012 Financial Statements Audit 11/15/2013 and	2		
2015-03/FA-14-101-3 Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's FY 2014 and 2013 Financial Statements Audit 11/14/2014 and	5		

⁴ Includes recommendations for which management submitted a request for closure prior to March 31, 2016, but such request had not been reviewed and closed by OIG prior to the end of this reporting period.

⁵ Includes all Material Weaknesses and Significant Deficiencies in the 2016-3 Report.

Report Number, Report Title and Date Issued	Number of Significant Recommendations	Significant Problems and Deficiencies	Summary of Significant Recommendations
2016-3/FA-15-108-3 Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2015 and 2014 Financial Statements Audit 11/13/2015	1		
2016-3/FA-15-108-3 Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2015 and 2014 Financial Statements Audit 11/13/2015	3	Entity-Wide Security Program Planning & Management	PBGC needs to complete its efforts to fully implement and enforce an effective information security program. They need to complete the design, implementation and testing of security controls, implement an effective certification and review process, and correct identified access control vulnerabilities.
2008-02/FA-0034-2 Limited Disclosure Report on Internal Controls-PBGC's FY 2007 and 2006 Financial Statements Audit 11/15/2007	4	Access Controls and Configuration Management	PBGC needs to mitigate the systemic issues related to information access controls.
2015-3/FA-14-101-3 Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2014 and 2013 Financial Statements Audit 11/14/2014	3	Controls over Premium Income	PBGC needs to operate effective control activities over the recording of premium income.
2012-05/PA-10-72 PBGC Processing of Terminated United Airlines Pension Plans was Seriously Deficient 11/30/2011	2	Systemic errors and omissions in audits of terminated pension plans	PBGC needs to strengthen the post-trusteeship audit process.

RESULTS OF REPORTS ISSUED

For the Six-Month Period Ending September 30, 2016

	Number of Reports	Questioned Costs	Unsupported Costs	Funds Put to Better use
A. For which no management decision had been made by the commencement of the reporting period.	0	\$0	\$0	\$0
B. Which were issued during the reporting period.	3			
FY 2015 Cybersecurity Act Evaluation		\$0	\$0	\$0
Audit of the Effectiveness of PBGC's Governance of Internal Control		\$0	\$0	\$0
Audit of PBGC's Fiscal Year 2015 Compliance with Improper Payments Information Act Requirements		\$0	\$0	\$0
Total (Add A. & B.)	3	\$0	\$0	\$0
C. For which a management decision was made during the reporting period.	3	\$0	\$0	\$0
(i) dollar value of disallowed costs		\$0	\$0	\$0
(ii) dollar value of costs not disallowed		\$0	\$0	\$0
D. For which no management decision had been made by the end of the reporting period.	0	\$0	\$0	\$0
E. For which no management decision was made within six months of issuance.	0	\$0	\$0	\$0

Summary of PBGC Open Recommendations as of September 30, 2016

	Rec. Number	Date Issued	Report Title Recommendation
1	BAPD-116	5/14/2013	FY 2012 Financial Statement Audit Management Letter BAPD management should refine their monitoring procedures within the Participant Data Review process to ensure each reviewer verifies that the staff selects the appropriate sample size in accordance with their prescribed procedures.
2	BAPD-133	3/4/2016	Fiscal Year 2015 Financial Statement Audit Management Letter Report ASD should execute a new study for determining the guaranteed factor for multiemployer plans that considers the following: 1. The sample of plans used to determine the guaranteed factor should be representative of the broad spectrum/population of plans to which the guaranteed factor methodology will be applied. For example, samples from each of the plan categories should be included: a. Terminated, b. Insolvent, c. Ongoing, d. Probable, e. Possible. 2. The sample should be randomly selected and cover a credible portion of the block as measured by present values as a specific point in time (e.g., September 30, 2015). 3. The study should include a critical review of the current process and determine whether an alternative approach would be more appropriate. 4. Any averages developed as part of the study's recommendations should be weighted by benefit present values. 5. The study's recommendations should be tested against the sample to ensure their suitability. For example, the resulting guaranteed factors should replicate the actual guaranteed ratios of the sample within a reasonable measure of precision.
3	CCRD-14	2/27/2015	Fiscal Year 2014 Management Letter PBGC should update their A-123 Internal Control Assessment Procedures to include: a. A thorough explanation of the criteria and selection process used to determine controls selected for testing on the three-year rotational basis. The rotation plan should allow for management to revise their selections based on changing environment and/or processes; and b. A testing procedure to verify the completeness of the populations' files is performed prior to sampling. If not applicable, CCRD should document its rationale/approach for not verifying the completeness of the population.
4	CCRD-17	2/27/2015	Fiscal Year 2014 Management Letter PBGC should revise the Entity-Wide Risk Assessment Survey instructions to provide greater clarity and examples.
5	CCRD-18	2/27/2015	Fiscal Year 2014 Management Letter PBGC should develop a mapping document that clearly outlines the connection between the results of the risk assessment and the Entity-Wide Controls tested for A-123. The documentation should identify which controls relate to the risks identified. When changes in significant risks occur, PBGC should update its key controls over the related processes that are impacted and related to the test plans to ensure management is adequately addressing the operational effectiveness of those controls.
6	CCRD-19	5/14/2015	FY 2014 Audit of PBGC's Compliance with the Implementation of the Improper Payments Information Act Reassess the financial assistance loan payments to insolvent multiemployer plans as part of the Corporation's FY 2016 improper payments assessment.
7	CCRD-21	6/9/2016	Audit of the Effectiveness of PBGC's Governance of Internal Control Clarify and communicate ICC responsibilities, and as needed, update PBGC policy and guidance, so that areas of authority are consistently delineated and better understood.

8	CCRD-22	6/9/2016	Audit of the Effectiveness of PBGC's Governance of Internal Control Require participation in the entity-wide risk assessment for all significant program areas, and update and align risk assessment policy and guidance so that risks which are distinctive to PBGC's program areas are identified and analyzed and substantively discussed among PBGC leaders.
9	CCRD-23	6/9/2016	Audit of the Effectiveness of PBGC's Governance of Internal Control Update and align agency policy and guidance for conducting the annual FMFIA reporting process and the Director's reliance on subordinates' assurance statements.
10	FISMA-11-02	5/30/2012	Fiscal Year 2011 Federal Information Security Management Act (FISMA) Independent Evaluation Report Remove PII from the development environment.
11	FISMA-13-17	3/21/2014	Fiscal Year 2013 Federal Information Security Management Act Final Report Ensure the Information Security Agreement Tracking Document is reviewed for accuracy and completeness.
12	FISMA-13-18	3/21/2014	Fiscal Year 2013 Federal Information Security Management Act Final Report Review the Information Security Agreements to ensure they are current and complete.
13	FISMA-14-01	5/6/2015	Fiscal Year 2014 Federal Information Security Management Act Independent Evaluation Report With OIT's technical assistance, all business units should implement the default site policies and guidelines provided by the PBGC Connect Governance Council. Additionally, business areas should implement any additional, business-specific guidance required for their sites.
14	FISMA-14-02	5/6/2015	Fiscal Year 2014 Federal Information Security Management Act Independent Evaluation Report All business units using PBGC Connect should implement policies and guidelines to restrict users from storing structured, application-derived data inappropriately in PBGC Connect.
15	FISMA-14-03	5/6/2015	Fiscal Year 2014 Federal Information Security Management Act Independent Evaluation Report PBGC should implement a tool that has preventive control capability to block documents containing PII from being uploaded to sites that are not CUI-tagged.
16	FISMA-14-04	5/6/2015	Fiscal Year 2014 Federal Information Security Management Act Independent Evaluation Report PBGC should refine and finalize SharePoint Fast Search & PII Data Daily Check to include the timeframe for the removal of PII and management oversight to confirm timely removal of PII.
17	FISMA-14-05	5/6/2015	Fiscal Year 2014 Federal Information Security Management Act Independent Evaluation Report Determine whether the existence of PII in PBGC Connect that are not in the proper Controlled Unclassified Information sites is a violation of the Privacy Act. If so, assess the violation and make the appropriate reports of Privacy Act disclosures.
18	FISMA-14-11	5/6/2015	Fiscal Year 2014 Federal Information Security Management Act Independent Evaluation Report Establish and implement a consistent entity-wide ISCM program in accordance with PBGC's ISCM strategy, to include metrics assisting PBGC in evaluating and controlling on-going risks.
19	FISMA-14-15	5/6/2015	Fiscal Year 2014 Federal Information Security Management Act Independent Evaluation Report Develop, document and implement a process for the timely assessment of employees and contractors transferred or promoted to a new position or role to determine whether the risk-level has changed.

20	FISMA-14-19	5/6/2015	Fiscal Year 2014 Federal Information Security Management Act Independent Evaluation Report Assess PBGC's current process and critical control points in identifying all assets connected to the PBGC network. Determine the shortcomings in PBGC's current process to compile an accurate and comprehensive inventory of all assets and connections to the PBGC network.
21	FISMA-14-20	5/6/2015	Fiscal Year 2014 Federal Information Security Management Act Independent Evaluation Report Reconcile PBGC's IP address inventory with the independent IP address inventory determined by the annual OIG assessment. Determine why differences exist and develop and implement a strategy to reconcile and eliminate differences in the IP address inventory count.
22	FISMA-15-01	2/19/2016	Fiscal Year 2015 Federal Information Security Modernization Act Final Report Fully implement Splunk Enterprise in PBGC, including its SIEM capability.
23	FISMA-15-02	2/19/2016	Fiscal Year 2015 Federal Information Security Modernization Act Final Report Require system owners to fully implement Splunk Enterprise for PBGC major applications.
24	FISMA-15-03	2/19/2016	Fiscal Year 2015 Federal Information Security Modernization Act Final Report Ensure the consistent use of the Event Analysis Checklist as part of the event analysis process.
25	FISMA-15-04	2/19/2016	Fiscal Year 2015 Federal Information Security Modernization Act Final Report PBGC should remove native file transfer protocol from any remaining systems.
26	FISMA-15-05	2/19/2016	Fiscal Year 2015 Federal Information Security Modernization Act Final Report Perform scheduled credentialed scans to include all the systems and update PBGC policies and procedures to require regular credentialed scans.
27	FISMA-15-07	2/19/2016	Fiscal Year 2015 Federal Information Security Modernization Act Final Report Evaluate existing controls and determine effectiveness to ensure annual security control assessments are timely completed for all major applications and general support systems.
28	FISMA-15-08	2/19/2016	Fiscal Year 2015 Federal Information Security Modernization Act Final Report PBGC should increase records management controls and monitoring to ensure all required personnel timely complete role-based training.
29	FS-07-08	11/15/2007	Limited Disclosure Report on Internal Controls-PBGC's FY 2007 and 2006 Financial Statements Audit Recommendation text omitted to protect exploitation of vulnerability; report is limited disclosure.
30	FS-07-10	11/15/2007	Limited Disclosure Report on Internal Controls-PBGC's FY 2007 and 2006 Financial Statements Audit Recommendation text omitted to protect exploitation of vulnerability; report is limited disclosure.
31	FS-07-12	11/15/2007	Limited Disclosure Report on Internal Controls-PBGC's FY 2007 and 2006 Financial Statements Audit Recommendation text omitted to protect exploitation of vulnerability; report is limited disclosure.
32	FS-07-14	11/15/2007	Limited Disclosure Report on Internal Controls-PBGC's FY 2007 and 2006 Financial Statements Audit Recommendation text omitted to protect exploitation of vulnerability; report is limited disclosure.
33	FS-07-17	11/15/2007	Limited Disclosure Report on Internal Controls-PBGC's FY 2007 and 2006 Financial Statements Audit Recommendation text omitted to protect exploitation of vulnerability; report is limited disclosure.

34	FS-11-07	11/14/2011	<p>Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2011 and 2010 Financial Statements Audit</p> <p>Develop a quality assurance program aimed to ensure that plan asset valuations meet the regulatory standard of determining fair market value based on the method that most accurately reflects fair market value.</p>
35	FS-11-09	11/14/2011	<p>Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2011 and 2010 Financial Statements Audit</p> <p>Identify those plans that might potentially have a pervasive misstatement to the financial statements if DOPT asset values were originally misstated. Management should then re-evaluate the DOPT asset values for those identified plans and consider the impact of any known differences on the financial statements.</p>
36	FS-11-11	11/14/2011	<p>Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2011 and 2010 Financial Statements Audit</p> <p>Ensure adequate documentation is maintained, which supports, substantiates, and validates benefit payment calculations by implementing proper monitoring and enforcement measures in compliance with approved policies and procedures.</p>
37	FS-12-02	11/15/2012	<p>Report on Internal Controls Related to the Pension Benefit Guaranty Corporations' FY 2012 and 2011 Financial Statements Audit</p> <p>PBGC should develop and implement a comprehensive documentation retrieval system that clearly identifies the location of the participants' census data and benefit calculation elements in a systematic manner.</p>
38	FS-13-01	11/15/2013	<p>Report on Internal Controls Related to the Pension Benefit Guaranty Corporations' FY 2012 and 2011 Financial Statements Audit</p> <p>PBGC should promptly correct the errors in its calculations identified by the auditors.</p>
39	FS-13-02	11/15/2013	<p>Report on Internal Controls Related to the Pension Benefit Guaranty Corporations' FY 2012 and 2011 Financial Statements Audit</p> <p>PBGC should develop and implement improvements to the BAPD Systems (Spectrum and the Integrated Present Value of Future Benefits) systems to: Record and value separate benefit components payable under different annuity forms; Record and value anticipated future benefit amount changes; Value temporary joint and survivorship benefits.</p>
40	FS-14-01	11/14/2014	<p>Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit</p> <p>Promptly correct errors in its calculations and data entries identified by the auditors during FY 2014.</p>
41	FS-14-02	11/14/2014	<p>Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit</p> <p>PBGC should perform an analysis to identify risks associated with a lack of documentation to support all participants' benefit calculations and assess the impact to the calculations and related liability.</p>
42	FS-14-03	11/14/2014	<p>Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit</p> <p>Upon completion of analysis, PBGC should develop a policy to finalize management's position on the financial impact of the lack of documentation issue and any actions that will be taken to address this systemic issue. The policy should also document any residual risk that it may elect to accept.</p>
43	FS-14-04	11/14/2014	<p>Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit</p> <p>Develop and document a risk assessment of the BAPD's entire operations. The risk assessment should include the identification of all the root causes of the issues identified by the auditors and ASD. PBGC should monitor the implemented corrective actions. The materiality thresholds used should be reasonable.</p>

44	FS-14-06	11/14/2014	<p>Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit</p> <p>Expand modernization efforts to Spectrum and the Integrated Present Value of Future Benefits (IPVFB) systems to: 1. Value the actual pop up benefit for Joint and Survivor Pop up annuity forms. 2. Value non-level and surviving spouse benefits without the need for supplemental tables.</p>
45	FS-14-09	3/21/2014	<p>Fiscal Year 2013 Federal Information Security Management Act Final Report</p> <p>Establish a periodic review (at least quarterly) process for contractor's compliance, including the execution of PBGC's security event categorization procedures and decision process, review of Intrusion Detection System (IDS) logs, and other continuous monitoring activity.</p>
46	FS-14-10	3/21/2014	<p>Fiscal Year 2013 Federal Information Security Management Act Final Report</p> <p>Ensure that security incidents are documented, investigated, reported to federal management, and corrective actions implemented to remediate security vulnerabilities.</p>
47	FS-14-12	3/21/2014	<p>Fiscal Year 2013 Federal Information Security Management Act Final Report</p> <p>Assess and document the adequacy of PBGC's current data loss prevention controls in place and determine if additional controls are needed based on cost and risk.</p>
48	FS-14-15	11/14/2014	<p>Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit</p> <p>FOD should perform a comprehensive analysis of key data inputs (e.g., participant count, market value, etc.) between Form 5500 and Comprehensive Premium Filing to identify significant variances. In addition, management should develop a risk analysis that focuses on evaluating the underlying causes of the significant variances identified from the comprehensive analysis and assess the potential impact to the completeness assertion for premiums.</p>
49	FS-14-16	11/14/2014	<p>Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit</p> <p>FOD should perform a period to period (e.g., year to year, quarter to quarter, etc.) fluctuation/variance analysis of plan premium summary level data to identify anomalies, unusual trends, and other critical factors evaluated by management. The underlying cause of the variances should be investigated and documented based on thresholds established by management.</p>
50	FS-14-20	11/14/2014	<p>Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit</p> <p>FOD should develop a procedure to reconcile the PPS subsidiary ledger to general ledger reconciliation. The reconciliation must reflect the cumulative PPS subsidiary balance compared to the general ledger at a point in time (e.g., December 31, March 31, June 30, etc.). Any differences should be aggregated by type (e.g., timing differences, manual adjustments) and explained. The support for these differences must be maintained for supervisory and/or external review. In addition, each reconciliation must show evidence of preparer and supervisory review.</p>
51	FS-14-35	11/14/2014	<p>Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit</p> <p>FOD should strengthen their internal control procedures by establishing steps to ensure all Trust Accountants (TAs) are recording non-commingled account balances appropriately and consistently. In addition, the procedures should specify a review and/or reconciliation process that should be performed by personnel with sufficient experience and knowledge and in a timely manner to ensure errors are identified and corrected within the same accounting period.</p>

52	FS-14-41	11/14/2014	Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit The Actuarial Services Division/BAPD should undertake a consolidation and codification of its technical procedures and actuarial practices into a single documentation source for single employer plan valuations.
53	FS-14-42	11/14/2014	Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit The Actuarial Services Division/BAPD should undertake a consolidation and codification of its technical procedures and actuarial practices into a single documentation source for multiemployer plan valuations.
54	FS-15-01	11/13/2015	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2015 and 2014 Financial Statements Audit Investigate the cause underlying the IPVFB valuation of the terminated recoupment and include the correction of that flaw to the IPVFB modernization project.
55	FS-15-02	11/13/2015	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2015 and 2014 Financial Statements Audit Complete the PBGC RMF transition, fully implement the entity-wide information security risk management program and provide periodic updates to stakeholders.
56	FS-15-03	11/13/2015	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2015 and 2014 Financial Statements Audit Complete the migration to NIST SP 800-53, Revision 4, Security and Privacy Controls for Federal Information Systems and Organizations and provide periodic updates to stakeholders.
57	FS-15-04	11/13/2015	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2015 and 2014 Financial Statements Audit Complete the implementation of NIST SP 800-53, Revision 4 controls for common controls, remediation of common controls weaknesses, and make available to system owners in Cyber Security Assessment and Management for appropriate inclusion in their system security plans.
58	HRD-17	9/30/2014	Audit Incentive Related to Recruitment, Relocation and Retention In accordance with the CFR and OPM policy, establish written requirements for determining proposed incentive rates for SLR benefits.
59	HRD-18	9/30/2014	Audit Incentive Related to Recruitment, Relocation and Retention Periodically provide information to PBGC managers on 3Rs incentives and SLR including the procedures for nomination, writing justifications, and required supporting documentation.
60	NRAD-03	2/27/2015	Fiscal Year 2014 Financial Statement Audit Management Letter Complete a study, using 5500 data, on plans that do not report a premium funding target to confirm that the current assumptions are valid or adjust those assumptions, if necessary. The study should be re-performed if certain critical facts such as policy and data have changed significantly since the last study.
61	NRAD-04	3/4/2016	Fiscal Year 2015 Financial Statement Audit Management Letter Report Determine an estimation method that will be able to approximate the liability for future years for plans that do not report complete information in their premium filing.
62	NRAD-05	3/4/2016	Fiscal Year 2015 Financial Statement Audit Management Letter Report Complete a study, using 5500 data, on plans that do not report a premium funding target to confirm that the current assumptions are valid and adjust those assumptions, if necessary.
63	OIT-117R	5/16/2013	FY 2012 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.

64	OIT-120R	5/16/2013	FY 2012 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
65	OIT-121R	5/16/2013	FY 2012 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
66	OIT-123R	1/9/2014	Fiscal Year 2013 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
67	OIT-128R	1/9/2014	Fiscal Year 2013 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
68	OIT-133R	3/30/2015	OIT's Fiscal Year 2014 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
69	OIT-138R	3/30/2015	OIT's Fiscal Year 2014 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
70	OIT-139R	3/30/2015	OIT's Fiscal Year 2014 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
71	OIT-151	12/11/2015	Fiscal Year 2015 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
72	OIT-152	12/11/2015	Fiscal Year 2015 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
73	OIT-153	12/11/2015	Fiscal Year 2015 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
74	OIT-154	12/11/2015	Fiscal Year 2015 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
75	OIT-155	12/11/2015	Fiscal Year 2015 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
76	OIT-156	12/11/2015	Fiscal Year 2015 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
77	PBGC-03	11/16/2010	Evaluation of PBGC's Strategic Preparations for a Potential Workload Influx Develop a workforce strategy tailored to address gaps in numbers, deployment, and alignment of the human capital to be obtained through contracts. This strategy, which

			might incorporate aspects of PBGC's Human Capital Strategy, should reflect the importance of the contract workforce to PBGC and support linkage of staffing and contracting decisions at the corporate level.
78	PBGC-13	11/30/2011	PBGC Processing of Terminated United Airlines Pension Plans was Seriously Deficient Develop a quality event tracking tool to address the risk that training needs are being overlooked, system issues are undocumented or unaddressed, and that performance issues are unaddressed. The tool should include a statement of the issue, population affected, root cause analysis of why the error occurred, event resolution, and appropriate remedial action to limit or reduce recurrence of the event.
79	PBGC-20	11/30/2011	PBGC Processing of Terminated United Airlines Pension Plans was Seriously Deficient As part of the on-going strategic review, develop and implement processes to ensure that post-termination participant audits are done in accordance with applicable standards and in a manner that provides the appropriate level of assurance.
80	PRAD-02	1/30/2015	PBGC Compliance with MAP-21 Still a Work in Progress Conduct a strategic review of PRAD's business process, observing and documenting work for all actuarial work products developed by PRAD staff and contractors. PRAD should use the results of the review as a foundation for the Quality Assurance Procedures Manual, identifying critical control points, which can be used by management to ensure procedures that promote standard application of work and effective quality review, and ensure identification of all federal records.
81	PRAD-03	1/30/2015	PBGC Compliance with MAP-21 Still a Work in Progress Once business processes are reviewed to identify control points, augment the PRAD Quality Assurance Procedures Manual and associated documentation to detail steps used in the performance of all modeling and actuarial work, so that actuarial work products can be reproduced and undergo effective and well-documented quality review. The Quality Assurance Procedures Manual should include review and oversight methods for consistent use and enforcement of procedures, appropriate approval, and escalation of issues identified.
82	PRAD-04	1/30/2015	PBGC Compliance with MAP-21 Still a Work in Progress Provide training to PRAD staff on the use of the Manual and its relationship to any additional procedural documents maintained in the department.
83	PRAD-05	1/30/2015	PBGC Compliance with MAP-21 Still a Work in Progress Modify the PRAD Manual to require that all actuarial work and modeling products are completed in accordance with actuarial standards, internal PBGC policies, and federal records management and internal control requirements.
84	PRAD-06	1/30/2015	PBGC Compliance with MAP-21 Still a Work in Progress PRAD should complete documentation of all records management procedures. The procedures should include clear control points for record retention procedures, identify all storage areas used in the creation, identification and formalization of records, ensure File Plan integration, and establish supervisory quality checks. All staff and contractors should receive training on finalized procedures, and annually.
85	PRAD-07	1/30/2015	PBGC Compliance with MAP-21 Still a Work in Progress To manage ad hoc requests, PRAD should develop, implement and monitor documented procedures that designate responsibility for a centralized repository, which at minimum documents the incoming request, date received, to whom assigned, requestor, resolution of response, supervisory review, and completion date.
86	PRAD-08	1/30/2015	PBGC Compliance with MAP-21 Still a Work in Progress PRAD should work with WSD and OIT to assess and implement access controls for actuarial information throughout the entire actuarial reporting process, and incorporate where actuarial records are created, developed and identified, in accordance with federal regulations and PBGC policies and procedures.

If you want to confidentially report or discuss any instance of misconduct, fraud, waste, abuse, or mismanagement involving PBGC programs and operations, please contact the PBGC Office of Inspector General.

Telephone:

The Inspector General's HOTLINE

1-800-303-9737

TTY/TDD:

For hearing/speech impaired services,

dial FRS (800) 877-8339

and give the Hotline number to the relay operator.

Web:

<http://oig.pbgc.gov/investigations/details.html>



Or Write:

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